



TESTIMONY
REGIONAL ECONOMIC XCELLERATION (REX) DEVELOPMENT
Before the
COMMERCE COMMITTEE
March 15, 2012

Re: Raised Bill No. 121: An Act Concerning the Provision of Development Services to Regional Economic Development Districts and the Authority to Pursue Economic Development Strategies

Senator LeBeau, Representative Berger and members of the Commerce Committee thank you for this opportunity to testify before the Commerce Committee in support of Senate Bill Number 121, "An Act concerning the provision of development services to Regional Economic Development Districts and the authority to pursue economic development strategies." I am Ginny Kozlowski, the Executive Director of REX Development, the first US Economic Development District approved in the State of Connecticut.

REX Development is the 501 (c)(4) quasi-governmental economic development organization serving 15 municipalities in the South Central Connecticut Region. Among the many services provided by REX Development throughout the region, a primary goal is to administer the regional Comprehensive Economic Development Strategy (CEDS), required for United States Economic Development Administration (EDA) funding. Through this CEDS process, originally initiated in 2003, the South Central region, on December 2, 2011, was recognized as Connecticut's first federally recognized Economic Development District by the United States Economic Development Administration (EDA). This was only made possible through the recognized significance of regional Economic Development Districts by the State through Public Act No. 10-168, approved on June 8, 2010. The Act authorized the State to approve up to eight regional Economic Development Districts for coordinating municipal economic development projects and seeking federal funding support through the EDA.

The CEDS process brings together the public, private and non-profit sectors to work towards a common goal of improving the economic prosperity of the region. Since its development in 2003, the strategic plan has become an economic blueprint for regional entities. It serves as a source for prioritizing regional projects and implementing goals and strategies identified by the region as a whole. Connecticut's establishment of Regional Economic Development Districts demonstrates the necessity for regionalization. Each region's comprehensive economic development strategy is subject to State approval assuring the regions are working in concert with state wide efforts. To reap the benefits of regionalization, it is critical for the State recognized economic development districts to seek appropriate funding from the State to plan for and implement these approved strategies.

On February 28, 2012 US EDA awarded REX Development a grant of \$60,000 to support the implementation and update of the 2013 Comprehensive Economic Development Strategy. The region has another EDA grant pending for a bulkhead project for the Town of Guilford to revitalize its harbour area. Without the federal Economic Development District designation towns like Guilford would be ineligible for federal EDA funding as they do not meet the federally distressed criteria. In conjunction with the University of New Haven (UNH) Engineering Program and the City of West Haven, REX Development is an active participant in the development of UNH's Incubator Project.

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Every region in Connecticut is unique and no one knows the region of South Central Connecticut better than the region of South Central Connecticut. In a time of increasing economic change, it is more important now than ever for regions to focus on their strengths, identify their weaknesses and work together for economic prosperity. REX Development understands the fiscal constraints, not only at the State and municipal level but at the national level as well. Realizing these fiscal constraints, the focus of prioritizing funds for regional initiatives identified to spur the economy, is essential for the livelihood of residents, municipalities, regions and the State.

REX is fortunate to receive financial support from a wide variety of entities (the member municipalities of REX, South Central Regional Council of Governments, the local business community, EDA, EPA and others), increased and consistent funding is essential to maximize the ability of the EDDs and REDDs to implement the State-approved economic development strategy. We all know there is heavy lifting to be done to revitalize our state, using regional EDDs is an effective way to get the job done.

As the primary goal in S.B. 121, REX Development recognizes the importance of regional comprehensive economic development strategies and the need of support to achieve the goals and services identified in such strategies. In conformity with this goal, REX Development also strongly recommends adjusting the inserted clause to read the grant shall be made and economic development services of the designated economic development district are eligible expenditures of the grant, rather than the Commissioner of Economic and Community Development providing economic development services to regional economic development districts.

Thank you again for the opportunity to testify before you today. We hope that you will take our comments into consideration.

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